



Board of the USTAR Governing Authority

**Location: Capital Board Room
350 North State Street
State Capital 2nd floor – East side**

**Thursday, October 23rd 2014
3:00-5:00 PM**

AGENDA

Approval of September 18th 2014 minutes Greg Bell
Director's Report Ivy Estabrooke
Audit Process Update Jim Grover
Strategy and Assessment Subgroup Out-brief Derek Miller
TOIP Overview Ivy Estabrooke & Jim Grover
Budget adjustment approval Jim Grover
FY16 SBIR/STTR Fee Discussion Jim Grover & Mary Cardon
FY16 SBIR/STTR Public Comment Public
Other Business GA Members

Utah Science Technology and Research Initiative

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**Board meeting of the USTAR Governing Authority
10-23-2014 Meeting Minutes – Approved**

Governing Authority Members Present: Greg Bell (Chair), Val Hale (Vice Chair), Rich Lunsford, Derek Miller, Florian Solzbacher

Excused: Neil Ashdown, Richard Ellis, David Lockwood, Ron Mika, Susan Opp

USTAR Staff Present: Ivy Estabrooke (Executive Director), Jim Grover, Cheralyn Anderson, Jillian Hunt, Linda Cabrales, Mary Cardon, Breanne Johnson, Al Walker, Peter Jay, Justin Berry

Others Present: Rob Behunin (VP USU), Jeff Edwards (Pres EDCU), Mike Green (Legal Counsel), Greg Jones (UofU), James Thompson (WSU), Candace Ware, Zack King, LJ Bolton (USU), Alex Lawrence (WSU), Ted McAleer, Curt Roberts (USU),

Mr. Bell welcomed everyone to the meeting.

Mr. Miller moved for the approval of the September 19th meeting minutes. Mr. Lunsford seconded the motion. The motion was passed unanimously.

Mr. Miller gave an overview of the discussion at the strategy and assessment meeting. USTAR wants to officially adopt the Governors vision statement. Our mission will emphasize what USTAR does. If we did not adopt the Governors vision, we would move our mission statement to become our vision statement.

Vision: Utah will lead the nation as the best performing economy and be recognized as a premier global destination.

Mission: Create a technology ecosystem that enables ideas to seed, grow and thrive.

USTAR's diverse portfolio of investments will:

- 1) Recruit and retain top researchers to the State's research universities*
- 2) Support tech entrepreneurs through training, funding, incubator and accelerator programs*
- 3) Broker technology transfer by connecting capital, management and industry.*

Mr. Bell suggested we include something other than a technological ecosystem we are trying to build. Dr. Estabrooke stated that all of the items we are investing in are technological. Mr. Miller felt there were two ways for USTAR to distinguish itself from other economic entities: 1. In the tech space, 2. USTAR is the only economic development entity that will support a development through its life cycle. Mr. Lunsford wanted to know if we are or will in the future be investing outside of technology because we do not want to discourage that aspect. Mr. Miller suggested that we change technology in the mission statement to: Create an entrepreneurial technological ecosystem that enables ideas to seed, grow, and thrive.

Utah Science Technology and Research Initiative



Dr. Estabrooke stated that we are a science and technology initiative. We were created to support science technology and research. Dr. Solzbacher stated that we need to emphasize technology in the type of ecosystem we are trying to create. The readiness these researchers need to make sure that they are moving forward. Mr. Bell recommended we change the mission statement to entrepreneurial technology ecosystem because we need to emphasize entrepreneurial. The researchers need to understand that we are not just giving the funding they need to be able to take their research through the pipeline. It is beneficial to hold the Governors vision statement up and then we can describe how we accomplish it.

Dr. Estabrooke explained the three points that we have added to articulate how we are going to achieve our mission statement. The three points that we do are recruit and retain top researchers is the seed, support entrepreneurs through training, funding, incubator, accelerator programs is the grow, and the broke technology transfer is the thrive. The process in which new ideas and IP work through the life cycle and come into the system and mature into new companies. Mr. Bell is asked whether we have a mechanism of points 2 and 3. Dr. Estabrooke states we have our outreach programs that support point 2. We are aspiring to move to point 3. It is where we want USTAR to move forward to do. Mr. Bell suggested that we table the mission and the vision until the next GA meeting to allow the GA further comment and review.

Mr. Grover referred to the handouts and discussed recommended budget adjustments that we need to make for this year. We have budget for these items from the General Fund or non-lapsing funds. The estimated cost of the rebrand and website is \$80,000. Mr. Bell is asking why we want to rebrand and rebuild the website. Dr. Estabrooke states we would like to bring the website in line with GOED and OED websites. We want to add the ability to keep things updated more as well as embedding in some searching functionalities so you can access the information easier. We could use the RFP process for the rebranding and the website. We need branding that to overcome bad press and branding to give some signal of what we are trying to do as an organization. Mr. Lunsford questioned is it critical at this time.

Dr. Estabrooke stated that it is critical and necessary for us to rebuild the website that has useful information and can tell the story of what USTAR does. We are trying to reach out to companies and technologists we need a website that is flimsy is a challenge and it reflects on us. Dr. Solzbacher directed staff that we would like to have the mission and vision completed before going forward. Is it what you need or do we want to spend some it somewhere else.

Mr. Grover gives the breakdown of the \$80,000. The rebranding will cost approximately \$15,000 to \$20,000. Mr. Berry states that we are being very conservative in saying the website will cost \$55,000. Mr. Grover is also stating that we are requesting some funding for a trade show booth. We would have popup banners for our TOIP outreach programs. Mr. Bell mentions that we need to move forward with some STEM outreach materials.

Mr. Grover discussed the requesting funds for media training for headquarters staff to polish up as we go into the legislative session.



Dr. Estabrooke stated we have given a breakdown of costs for the rebranding and website. At a minimum we do need to spend the funds on the website upgrades. If we consider the rebranding we need to have this completed before we move forward with the rebuilding of the website. Mr. Miller is supportive in rebranding and website. However, feels that we should not move forward until we are aware of actual costs before we approve the \$80,000.

Mr. Grover stated that there is an adjustment that we are asking for under a technology outreach projects line. We have provided funding for a third party audit that can be repurposed for a national academies study. Dr. Estabrooke spoke about the National Academies packet in the handouts. She suggested that we take time to look read the proposal. The National Academies will come in and do an assessment by bringing in experts who study the relationship between science and technology development and the economic development at a state and federal level. They will look at metrics, best practices, for how you invest funding to have strong economic outcomes. It would take six to nine months for them to review research, visit all the sites and how we invested funds. They would like to send people to the confluence to get a view of all the work that is going on. They would also run a one day workshop in the state that we could invite legislatures to; they would have speakers, they would present some of their results and present some of the benchmark programs around the country. Also, they would produce a study report that would be reviewed through the National Academies process as well as by an independent review panel. Its comprehensive and provides a broad data and expert driven volume that will help us set realistic data driven goals.

Dr. Solzbacher stated that it could does 3 main things: educates the team, sets a benchmark, educational mission to legislatures and others involved. We can use the best practices moving forward. Dr. Estabrooke they will look at what we have done and what we are doing to see what has been successful. It carries an incredible weight with academic communities. Mr. Grover does not know the prospectus costs, but stated the 2nd study done by BEBR was roughly under \$100,000. Mr. McAleer stated the first prospectus cost was budgeted at \$300,000. Mr. Bell is suggests we take this proposal to Senator Shiazowa for him to review and give feedback. Dr. Estabrooke suggests that we pay the expenses for one or two of their staff to come and join the GA members as evaluators at Confluence in November. The members of the GA agreed.

Mr. Grover spoke about a technical change needed for the technology outreach central TOIP budget. The rapid prototyping center listed as a current expense but a portion of that is a personnel cost for an intern. In USTAR North we have a personnel piece that is funded as an associate director. This is actually an engineer not an associate director. We would like to keep him in lieu of an associate director through the end of the fiscal year. Dr. Solzbacher questions if it changes the statement of work for this employee or has he been doing the work. Mr. Grover states that he has always been an engineer but was described as an associate director when the budget was proposed in July. Dr. Solzbacher states we need to specify what this person does and has real value to USTAR.



Dr. Estabrooke spoke about the contracts and how we are going through and changing these to define the clear deliverables. We have been working with them to work through the new contracts so we have clear expectations.

The GA deliberated on what items would receive funding and which would be tabled for the next meeting.

Dr. Solzbacher move to approve the budget for TOIP, education and relocation funds. Mr. Miller seconded the motion. The motion passed unanimously.

Three of the GA members, Mr. Hale, Mr. Miller and Mr. Ludsford had to leave and the quorum became lost.

Mr. Grover spoke about the audit process update we went from working with an outside audit firm to having to work with the State Legislative Auditors. Mr. Grover introduced Ms. Ware and Mr. King from the Office of Legislative Audit with us to give us an update. Ms. Ware spoke about the audit. She states she and Mr. King have been working with USTAR and the Universities in gathering information to validate key metrics for the annual report. They have also been working with USTAR and stake holders with discussions of implementations of past audit recommendations. They are starting to draft annual report and should be finished in November or December. Mr. Bell gives our appreciation to them for taking this on. Ms. Ware explains that this is not a financial audit and focused on implementations from last year's audit.

Dr. Estabrooke stated that last week she was supposed to give the annual report to the interim committee. Instead she gave an overview of where USTAR is, where we are headed and what we want to do. Next week, she is meeting with the sub appropriations subcommittee for USTAR on the University of Utah campus. We will be giving them a tour of the building as well as have some researchers and businesses give a brief overview.

Dr. Estabrooke explained the slides handout to give an overview of the Technology Outreach Innovation Program. There are three fundamentals: research team funding, technology, outreach program, and buildings and infrastructure. We have five different regions and categories of services held at the different locations. We have business accelerators, business incubators, and a Go-To-Market program to help entrepreneurs and researchers. Our Go-To-Market is currently being evaluated to be the same across the state. Ms. Cardon is the director of SBIR takes her trainings and support around the state. Currently she goes to St. George, Logan, Vernal, Price, but goes from Ogden to Provo. She helps with getting equity free money for entrepreneurs. Mr. Edwards feels that Ms. Cardon's program is successful.

Dr. Estabrooke states that our TOIP east office also provides export to industry. TOIP East is working with established companies to connect them with innovations coming out of the universities and prototyping services. Mr. Bell stated the investment in incubators, equipment, and 3d printers is a good way for us to provide those resources. Dr. Estabrooke spoke about the successes that we have funded. Veristride is currently



incubating at BioInnovations Gateway. Enve Composites worked closely with USTAR North office having engineers making prototypes keeping the company here in Utah.

We created an evaluation process we put in place. We had sent out a survey to companies that have worked with our TOIP offices. An estimated 40% response rate to the survey and 38% of the responses, responded yes that USTAR's assistance contributed to their ability to hire additional employees. Approximately 1 in 5 of the jobs created was considered high quality jobs. A new process such as an intake form has been put in place to gather more information to track their process over time.

Mr. Bell states we are supporting people who want to refine, ready to sell and move forward. Mr. Bell asked each director, "Are we able to meet the needs?" Ms. Cardon states that we are concerned two or three years from now whether or not we will be able to provide all the resources. We will need to grow in management. Mr. Bell states if we could provide marketing for SBIR and TOIP to allow people to be able to utilize the programs. Mr. Jay is moving forward with many companies in their Go-To-Market program. USTAR is able to collaborate with many other agencies and companies. Companies have stated our training program saves them a lot of money and we are making an impact. Mr. Walker is stating that with how small our team is we are moving forward well. Mr. Jay mentioned that other programs in the state are collaborating allowing us to make a bigger impact with fewer resources. Mr. Lawrence from Weber State University spoke feels that we are able to satisfy the needs with the resources from USTAR.

Mr. Grover explains the TOIP fees memo in the handout. A process is required by every state agency to request a fee change. The SBIR program has gone from having a model working from start to finish of grants. The current fees are more along the lines of submission, editing, writing and proposal fees. We want to move more along the lines of outreach with seminars and workshops. Ms. Cardon states most of our work is done for free. We charge fees for various seminars and workshops that we use. Dr. Solzbacher asks if it is a requirement for them to back up how we came up with fee amount. Mr. Grover explains through the governor's budget proposal we need to state why the fees are proposed. We are able to say if you will have to pay a fee for these services.

Time was provided for the public to respond to these fee changes. There were not present.

Dr. Estabrooke spoke of upcoming events for USTAR.

Dr. Solzbacher moved to end the meeting. Mr. Bell seconded the motion.